EXHIBIT M

THE ST. PAUL SURETY GROUP

MEMORANDUM

November 17, 1999
rcvd 11/22/99

To: Mike Walter, Tony Phillips and Steve Salazar
cc: Jack Simanski, Bruce Corriveau, Todd Kazlow Robert Schumaker, Steve Ross, and Matt Silverstein
From: William I. Eskin, CPA
Re: CCI Construction Co., Inc.

Background
It is my understanding that CCI Construction Co., Inc. (hereafter referred to as the "Company") has experienced recent operating losses. In addition, it is my understanding that the Company's management has represented to you that in the event they are not approved for additional bank financing, they may encounter significant short and long-term cash flow problems. Additionally, it is my understanding that The St. Paul has payment and performance bonds outstanding on approximately 18 jobs in relation to the Company (see Attachment #1). Therefore, you have requested my assistance in evaluating the financial position of the Company and report my findings back to you.

Procedures
I met with the Company's management on November 8-9, 1999, at their corporate offices located in suburban Harrisburg, PA. My principal contact was Sherri L. Phillips, the Company's Chief Financial Officer (hereafter referred to as "Sherri").

I concentrated my financial review on the following key areas:

- An attempt to project cash flow through the anticipated completion date of the Company's current bonded backlog.
- A review of the Company's projected overhead.
- Other areas which may be of interest to you from an underwriting perspective including a status of their pending additional bank line of credit.

Since the Company's books and records had been updated through September 30, 1999, that would be the date used for this financial review.

PENGAD-Bayonne, N. J. DEPOSITION EXHIBIT 6 Silverstein 6-12-02

Observations

Projected cash flow
Per Attachments #2-4, it is anticipated that the Company will realize a cash deficit in excess of $4,534,000 for the period from October 1, 1999 through March 31, 2001; the represented completion date of the current bonded backlog.

The following were key assumptions used in the preparation of these spreadsheets:

- The Company will not procure any additional work during the projection period (or, any work the Company procures will result in zero cash flow during the projection period).
- The Company will collect 100% of its remaining contract balances.
- The Company will draw down completely on its recently approved bank line of credit in the amount of $1,200,000 and will not need to repay any of the total $5,200,000 owed on both lines of credit. (Note: these lines of credit will be discussed in more detail later in this Memorandum.)
- There will not be significant differences between Management's representation of estimated costs to complete and actual results.
- There will not be any significant differences between projected and actual overhead during this projection period.
- See other assumptions detailed on Attachments #2-4.

One of the critical assumptions concerns the estimated costs to complete. Although an engineering evaluation concerning the reasonableness of these amounts is outside the scope of this financial review, the following should be noted:

- The Company's gross profit percentage for the year ended December 31, 1998 (as reflected on their audited financial statements) was 2.6%. However, the gross profit percentage as represented on the Company's work in progress schedule (as adjusted, principally for the potential claim on the Scott A.F, base; to be discussed in more detail later in this Memorandum, and write-ups and write-downs on other jobs as per Sherri) as of September 30, 1999 reflected a gross profit percentage of 3.8%. The estimated costs to complete as of September 30, 1999 were based on these estimated gross profit amounts. If in fact the gross profit was projected more in line with the 1998 historic amount, the costs to complete (as reflected on Attachment #3) and the projected deficit (as reflected on Attachment #4) would increase by approximately $2,400,000. Of particular concern in this area is the projected gross profit on some of the larger jobs where work has not progressed far into the contract. These include:

Job #	Job Name	Projected Gross Profit %
47700	Cool & Cold Aqua	5.83%
47000	SR II Perry Cnty	14.01%
47500	SR 22 Cambria Cty	14.49%
47600	Summerdale	12.66%
46600	VCU Life Science	5.52%

- The Company has experienced significant profit fade from their work in process schedule as of December 31, 1998. In particular, slippage was noted in regards to the following bonded jobs:

Job #	Job Name	Projected Gross Profit @ 12/31/98	Projected Gross Profit @ 9/30/99	Profit Increase (Slippage)
45000	Johnstown	$ 21,518	$ 80,763	$ 59,245
45100	Lord Fairfax	(218,127)	(421,002)	(202,875)
45400	Albermarle Pris	1,649,089	-0-	(1,649,089)
45500	Perry Point	1,473,501	1,509,715	36,214
45600	Outlook-Hilliard	579,435	577,325	(2,110)
45900	Scott AFB	940,800	(2,702,838)	(3,643,638)
46000	GermPlasm Ctr	897,976	500,000	(397,976)
46100	Outlook-Chester	212,548	184,031	(28,517)
46200	Outlook-Wester	371,760	348,725	(23,035)
TOTALS		$5,928,500	$ 76,719	($5,851,781)

This amount of significant profit fade during this relatively short period may be an indication of a number of items including:

- Poor estimating procedures (especially in calculating costs to complete on jobs in progress) applied by the Company.

- Problems arising on the various jobs during the period from January 1, 1999-September 30, 1999, which were not known as of December 31, 1998.

- Possible CPA malpractice involving the financial statements as of and for the year ended December 31, 1998 (to be discussed later in this Memorandum).

- A combination of one or more of the above.

As the result of the second observation detailed above, it should be noted that there may be additional slippage on these jobs subsequent to September 30, 1999. For instance, the Company "wrote-down" the Albermarle Prison job to exactly a projected "break-even" gross profit. It appears that based on recent trends, this job may actually close out with the Company recognizing a loss.

The "bottom-line" to the observations detailed above is that there is a strong possibility that the estimated costs to complete as of September 30, 1999 as represented by Management (see Attachment #3) may be significantly understated. If so, the projected deficit (as detailed on Attachment #4) could be materially understated.

Projected Overhead

Per Attachment #5, it is projected that the Company will incur approximately $11,894.000 of overhead costs and expenses during the projection period. The following are key assumptions in regards to the projected overhead:

- The Company will not have to repay any of the current $5,200,000 owed to the bank under the two lines of credit. (e.g. the two lines will be renewed without any demand for repayment)
- There will be no interest rate changes on these lines of credit (currently 8.00%).
- Projected indirect costs and general & administrative expenses will increase by 5% in 2000 and 10% in 2001 over 1999 historical amounts.
- There will be no shareholder distributions during the projection period.
- There will be no other significant sources of cash for the Company (e.g. shareholder loans, additional bank proceeds, etc.)
- The Company will not have to purchase for cash any significant property and equipment during the projection period. (Any fixed assets that would need to be purchased would be fully financed.)
- The Company will not receive any significant cash proceeds from the sale of existing equipment. (Any proceeds would be used to reduce current equipment debt.)

It should be noted that any material variance from the above-detailed assumptions could have a significant effect on both the projected overhead and projected deficit (as detailed on Attachment #4).

Other matters

Payroll tax obligations

Per review of payroll tax returns and discussions with Sherri, it appears that the Company is current on all of its Federal and state payroll tax obligations.

Tax Examinations

Per my discussion with Sherri, it was represented that the Company is not currently being examined by any Federal or state taxing authority with the exception of a sales tax audit by the Pennsylvania Department of Revenue. Sherri further represented that any adjustment and additional tax assessment made by the Department as the result of this audit would be immaterial.

Bank Line of Credit
During my financial review on November 8, 1999, Sherri informed me (and provided me with the written documentation) that Allfirst Bank (hereafter referred to as the "Bank") had approved a second line of credit in the amount of $1,200,000. Therefore, the Company is currently indebted to the Bank under two separate lines of credit:

A $4,000,000 line. Interest at the Bank's prime rate less 1/2%. The loan is unsecured, due on demand, and assuming no demand is made, matures April 30, 2000.

A $1,200,000 line. Interest at the Bank's prime rate less 1/2%. The loan is secured by specific equipment owned by the Company as well a personal guarantee by John M. Ortenzio, the Company's sole shareholder. Advances under this line are limited to 80% of the Company's qualified accounts receivables (those less than 90 days old, excluding retainage). In addition, it is due on demand, and assuming no demand is made, matures March 31, 2000.

Contingent Liabilities
Per my discussion with Sherri, it was represented there are no significant contingent liabilities (lawsuits, etc.) which would have a material impact on the Company and would preclude them from completing their bonded obligations.

Federal and State Income Taxes
The Company is an "S" corporation for Federal and Pennsylvania income tax purposes. As such, no income taxes are generally paid at the corporate level. However, income is distributed to the shareholders who pay any tax individually. In many instances, if there is a tax liability resulting from "S" Corporation income distributions, the shareholder will "reimburse" himself by way of an "S" corporation cash distribution. Per my discussion with Sherri, the company is anticipating a taxable loss for 1999 and as such, no distributions are expected during this projection period.

Financial reporting
It has previously been detailed in this Memorandum that there are potentially serious issues involving the Company's ability to properly estimate costs to complete on work-in-progress. At the same, time, it must be noted that Sherri has represented that their interim financial statements are **not** prepared in accordance with Generally Accepted Accounting Principals (hereafter referred to as "GAAP"). Included in the internally produced Work-in-Progress schedule as of September 30, 1999 on the "Scott AFB" job is approximately $3,600,000 which represents a proposed but unapproved change order which would materialize only if an affirmative claim filed by the Company against the owner of this project; U.S. Property and Fiscal Office, is settled in the Company's favor. GAAP allows claims made by the contractor against the owner to be included in contract revenues to the extent contract costs relating to the claims have been incurred if **all** of the following conditions exist (see SOP 81-1):

- The contract or other evidence provides a legal basis for the claim, or a legal opinion has been obtained stating that under the circumstances, there is a reasonable basis to support the claim.

- Additional costs are caused by circumstances that were unforeseen at the contract date and are not the result of deficiencies in the contractor's performance. To identify those situations, the company needs to be very aware of the specific terms, specifications, and conditions of the contract.

- Costs associated with the claim are identifiable or otherwise determinable and are reasonable in view of the work performed.

- The evidence supporting the claim is objective and verifiable and not based on management's "feel" for the situation or on unsupported representations. The absence of a summarized, quantified claim usually would prevent passing this test.

Again, it must be emphasized that the Company must pass **all** of the above tests. Per my discussions with Sherri, it was represented that the Company was not in compliance with these GAAP requirements and the recognition of this extra amount was in violation of SOP 81-1.

When questioned how the $3,600,000 of additionally recognized income would be treated for year-end financial reporting, Sherri replied that the Company was considering continuing to improperly recognize this amount even though it may cause the CPA to modify his opinion on the financial statements (e.g. this may cause a qualified or even an adverse opinion to be issued by the CPA depending on materiality).

Quality of the financial reporting on CPA audited statements

It was detailed previously in this Memorandum that there may be issues involving the quality of the CPA audited statements in relation to Costs and Estimated Earnings in Excess of Billings on Uncompleted Contracts" (underbillings) as of December 31, 1998 and the gross profit recognized for the year ended December 31, 1998, and the related profit fade which was detailed previously in this Memorandum. The following are additional issues raised based upon my review of the Company's financial statements audited by the CPA firm of Brown, Schultz, Sheridan, and Fritz (hereafter referred to as the CPA"). For your convenience, I have included the authoritative AICPA source. Note: these comments are based on the financial statements as of and for the years ended December 31, 1998 and 1997. This does not reflect observations concerning the workpapers that support the CPA's opinion since they were not available for my review:

- The allowance for doubtful accounts does not appear to have been disclosed. (See APB No. 23, para. 3)

- There does not appear to be any disclosure concerning the Company's obligation under various payment and performance bonds with The St. Paul (See SFAS No. 5)

- It is not currently known when the significant profit fade (as detailed above) on the Work-in Progress as of December 31, 1998 occurred. However, if it transpired during the period from January 1, 1999 through February 10, 1999 (the date of the CPA auditor's report) this would be considered a significant subsequent event and would require disclosure in these financial statements. (See SFAS No. 5, para 11; and AU Sections 560.05-.07 and .09).

- There does not appear to be any backlog information disclosed. (See AICPA Guide, para. 6.23)

- Included as a supplementary schedules is one titled "Earnings from Contracts". Included in this schedule is a line item "Indirect Costs". Additionally, it was disclosed on this schedule that costs of revenues earned "excludes indirect costs not allocated to specific jobs". This disclosure and manner of presentation does not appear to be in accordance with GAAP which requires that all indirect costs related to the construction process be identified and included in an overhead pool or pools **to be allocated to the construction costs of** ***individual contracts***; not listed separately as a line item on the financial statements.

Conclusions and Recommendations

Attachments #2-4 detail a projected cash deficit of in excess of $4,534,000. This amount was projected based on a number of assumptions, the most important concerning:

- The amount of cash the Company is projected to realize from new work procured (assumed zero).
- The relationship between the Company and the Bank. (It is assumed that the Bank will renew both lines of credit under the same terms and conditions and the Company will not need to make any principal payments on the $5,200,000 currently outstanding.) In addition, it is assumed that there will be no changes in the interest rate charged to the Company; 1/2% under the Bank's prime rate, currently 8.00%.
- The Company's affirmative claim on the "Scott AFB" job. It is assumed that no amounts will be collected during this projection period.
- The estimated costs to complete. No contingency was added to Management's representations. However, the issues detailed previously detailed in this Memorandum appear to provide a strong notion that these represented amounts may be significantly understated as of September 30, 1999.

Assuming that the above conjectures do not significantly differ from actual results, the Company would need approximately $150,000,000 of newly procured work (assuming a gross profit percentage of 3% on any new work obtained) during the projection period just to cover the projected deficit. Note: the Company's reported revenues for the years ended December 31, 1997, December 31, 1998, and the nine months ended September 30, 1999 were $34,921,676, $52,534,453 and $48,782,943 respectively. Therefore, even if the Company should procure this additional revenue, it would take approximately 3 years to cover this deficit (assuming projected revenues of $50,000,000 per year), while this projection covers a period of only 1 1/2 years. Therefore, assuming the Company is able to collect all amounts billed, and there are not negative occurrences during this projection period (such as demand payments by the Bank), the Company is projected to still experience a cash deficit of 50% of the total projected amount or in excess of $2,000,000. Per my various discussions with Sherri, it was represented that the Company was "holding its hat" on the realization and collection of the affirmative claim detailed above.

Another major concern appears to be the quality of the Company's financial reporting (especially the CPA audited financial statements). A number of issues have been detailed previously in this Memorandum which may indicate that the financial statements were not prepared in accordance with GAAP. The most important of which are:

- The improper recognition of $3.600,000 in additional revenues on an unapproved change order. (Note: at this point, this was done for internal reporting purposes only; not included in the CPA audited financial statements).

- An improper method of treating indirect costs.

In addition, further research will be needed to determine the cause of the large amount of profit fade for the period from December 31, 1998 through September 30, 1999.

Based on the above, I would recommend the following:

- Consideration be made of performing an independent engineering review in order to determine the reasonableness of the Company's represented costs to complete.

- Consideration should be made of determining the validity and potential realization of the Company's affirmative claim in regards to the Scott AFB job.

- Consideration be made of obtaining joint funds control over remaining contract balances.

- Should you decide to issue the Company additional bond credit, consideration be made of obtaining joint funds control over those contract balances.

- Consideration be made of meeting with the Company's Management in order to discuss my various findings and observations. In particular, discussions should be held on the Company's relationship with the Bank, their reaction to a potential "qualified" or "adverse" opinion in regards to the CPA audited financial statements as of and for the year ended December 31, 1999, and their plans if the Bank does not extend the loan beyond their maturity dates (March 31, 2000 and April 30, 2000).

- Should The St. Paul incur a loss on this account, consideration be made of pursuing potential CPA malpractice.

- Based on the recent transactions with the Bank as detailed above, consideration should be made of obtaining updated personal financial statements of all indemnitors.

- Consideration should be made of obtaining asset and credit checks of all personal and corporate indemnitors.

If anyone has any questions or needs further information, please feel free to contact me.

Regards,

BILL

The St. Paul-CCI Construction Co., Inc.
Bond Summary
As of 9/30/99
c:\cci\summary

Job #	Project	Owner/Obligee	Location	Description	Bond #	Bond Date	Penalty	Status
45400	Albemarle-Charlottesville Regional Jail	Albemarle-Charlottesville Regional Jail Authority	Charlottesville, VA	Additions and renovations to regional jail	26-0120-12995-98-7	6-Feb-98	14,682,402	Open
-	Bedford County, State Route 0030	Department of Transportation, Commonwealth of PA	West Providence Township, PA	Road improvements	26-0120-08963-99-4	17-Jun-99	514,976	Open
47500	Cambria County SR 0022	Department of Transportation, Commonwealth of PA	Cambria Township, PA	Road improvements	26-0120-08959-99-7	13-May-99	835,299	Open
47600	Summerdale	Department of General Services/Commonwealth of PA	East Pennsboro Township, PA	Sitework-Laboratory Centers of Excellence	26-0120-08958-99-1	7-Jul-99	1,688,139	Open
-	Cool & Cold Aqua	US Department of Agruculture	Leetown, West Virginia	Buried Process Water Lines and Valve	26-0120-40376-99-3	12-Aug-99	191,083	Open
47700	Cool & Cold Aqua	US Department of Agruculture	Leetown, West Virginia	Construction of the National Center	26-0120-08961-99-1	15-Apr-99	12,191,000	Open
46000	Germsplasm Ctr	US Department of Agruculture	Beltsville, MD	Phase I and II; National Plant Germsplasm	26-0120--28306-98-1	7-Apr-98	15,647,035	Open
46500	James River	James River Juvenile Detention Commission	Beaumont, VA	Construction of juvenile detention center	26-0120-08946-99-2	7-Jan-99	7,220,942	Open
45000	Johnstown	Department of the Army Corps of Engineers	Johnstown, PA	Air Traffic Control Tower	26-0120-41362-97-1	15-Aug-97	3,734,530	Open
45100	Lord Fairfax	Virginia Community College System	Warrenton, VA	Phase I-Lord Farfax Community College	26-0120-41364-97-4	5-Jan-98	7,409,292	Open
46100	Outlook-Chesterfield	BCC Development and Management Co.	Chesterfield, VA	Construction of Outlook Point at Chesterfield	26-0120-29307-98-8	24-Jun-98	3,919,156	Open
45600	Outlook-Hilliard	BCC Development and Management Co.	Hilliard, OH	Construction of Outlook Point at Hilliard	26-0120-13008-98-0	23-Feb-98	5,598,750	Open
46200	Outlook-Westerville	BCC Development and Management Co.	Westerville, OH	Construction of Outlook Point at Westerville	26-0120-28312-98-1	27-Sep-98	5,591,730	Open
45800/47300	PA Tpkbldg-Kost Rd.	PA Turnpike Commission	Highspire, PA	Central Administration Building Renovation	26-0120-40371-99-1	30-Apr-98	28,231,945	Ope
47000	SR II Perry Cnty	Department of Transportation/Commonwealth of PA	Perry County, PA	Excavation, Presplit Blasting (Subcontracted)	26-0120-08953-99-9	2-Mar-99	4,126,478	Open
45500	Perry Point	Department of Veteran Affairs	Perry Point, MD	80-bed Psychiatric Care Building	26-0120-13002-98-1	12-Mar-98	13,297,844	Open
45900	Scott A.F. Base	US Property & Fiscal Office	Belleville, Illinois	Aircraft parking apron & jet fuel storage	26-0120-28305-98-5	30-Mar-98	18,880,298	Open
46600	VCU Life Science	Virginia Commonwealth University	Richmond, VA	The Life Sciences Building	26-0120-08953-99-9	15-Jan-99	21,927,111	Open
							165,688,010	

Notes
(1) Although jobs # 45800 & 47300 (Turnpike) are considered one job for bonding purposes, the Company records it as two separate jobs for reporting purposes
(2) No job numbers have been assited to the "Bedford County" and the second "Cool & Cold Aqua" jobs as work has not yet commenced.

ATTACHMENT #1

The St Paul-CCI Construction Co., Inc.
Statement of Contract Balances as of September 30, 1999
c:\cci\balance

Job #	Project	Original Contract Price	Approved Change Orders	Revised Contract Price	Payments Received To Date	Liquidated Damages & other reductions	Remaining Contract Balance	Components of Remaining Contract Balance: Billed & Unpaid	Retainage	Unearned Balance	Total	Latest Billing	Payment Req #	Notes
	Bonded Jobs													
45400	Albemarle Pris	13,335,600	1,197,876	14,533,476	9,021,645	0	5,511,831	812,446	517,985	4,181,400	5,511,831	30-Sep-99	19	
-	Bedford County	514,976	0	514,976	0	0	514,976	0	0	514,976	514,976	-	-	
47500	SR 22 Cambria Cnty	835,299	0	835,299	193,074	0	642,225	210,062	0	432,163	642,225	30-Sep-99	5	
47600	Summerdale	1,688,000	0	1,688,000	169,228	0	1,518,772	155,819	20,748	1,342,205	1,518,772	30-Sep-99	2	
-	Cool & Cold Aqua	191,083	0	191,083	0	0	191,083	0	0	191,083	191,083	-	-	
47700	Cool & Cold Aqua	12,191,000	0	12,191,000	71,393	0	12,119,607	70,365	7,057	12,042,185	12,119,607	30-Sep-99	2	
46000	Germplasm Ctr	15,500,000	109,264	15,609,264	5,704,625	0	9,904,639	647,342	697,457	8,559,840	9,904,639	30-Sep-99	16	
46500	James River	7,199,500	42,581	7,242,081	2,053,938	0	5,188,143	534,575	136,238	4,517,330	5,188,143	28-Sep-99	7	
45000	Johnstown	3,266,600	467,930	3,734,530	3,386,443	0	348,087	197,447	116,713	33,927	348,087	30-Sep-99	14	
45100	Lord Fairfax	6,880,993	286,816	7,167,809	6,654,813	0	512,996	142,419	357,749	12,828	512,996	30-Sep-99	22	
46100	Outlook-Chesterfield	3,850,000	69,156	3,919,156	2,610,093	0	1,309,063	429,304	337,711	542,048	1,309,063	30-Sep-99	14	
45600	Outlook-Hilliard	5,235,000	363,750	5,598,750	5,117,289	0	481,461	197,316	279,716	4,429	481,461	30-Sep-99	18	
46200	Outlook-Westerville	5,589,000	1,830	5,590,830	2,055,456	0	3,535,374	361,042	268,500	2,905,832	3,535,374	30-Sep-99	11	
45800	Pa Turnpike	22,397,615	0	22,397,615	0	0	22,397,615	222,989	24,777	22,149,849	22,397,615	30-Sep-99	1	
47300	Pa Turnpike-Kost Rd	204,940	1,789,582	1,994,522	831,022	0	1,163,500	536,585	0	626,915	1,163,500	30-Sep-99	11	(2)
47000	SR II, Perry County	4,107,051	19,427	4,126,478	1,593,777	0	2,532,701	623,474	0	1,909,227	2,532,701	15-Sep-99	11	
45500	Perry Point	12,769,663	101,596	12,871,259	9,448,596	0	3,422,663	643,632	636,960	2,142,071	3,422,663	30-Sep-99	17	(1)
45900	Scott AF Base	15,280,058	0	15,280,058	14,385,932	0	894,126	578,097	0	316,029	894,126	30-Sep-99	14	
46600	VCU Life Science	21,480,250	435,969	21,916,219	2,756,444	0	19,159,775	967,820	196,014	17,995,941	19,159,776	30-Sep-99	8	
	Sub-Total	152,516,628	4,885,777	157,402,405	66,053,768	0	91,348,637	7,330,734	3,597,625	80,420,278	91,348,637			
	Unbonded Jobs													
45700	CCI-Camp Hill	1,495,629	26,900	1,522,529	1,522,529	0	0	0	0	0	0	-	-	
47800	EPW I	211,771	0	211,771	0	0	211,771	169,445	8,918	33,408	211,771	30-Sep-99	2	
46700	EPW III	3,430,021	818,433	4,248,454	1,610,421	0	2,638,033	252,808	98,012	2,287,213	2,638,033	30-Sep-99	7	
43900	Mahonoy	10,066,600	501,148	10,567,748	10,523,934	21	43,793	43,043	750	0	43,793	30-Sep-99	18	
42600	U.E.P.H.	19,272,256	0	19,272,256	19,272,157	99	0	0	0	0	0	-	-	
	Sub-Total	34,476,277	1,346,481	35,822,758	32,929,041	120	2,893,597	465,296	107,680	2,320,621	2,893,597			
	GRAND TOTALS	186,992,905	6,232,258	193,225,163	98,982,809	120	94,242,234	7,796,030	3,705,305	82,740,899	94,242,234			

Notes:
(1) Requisition dated 10/7/99. However, for analysis purposes, it will be considered 9/30/99.
(2) Large change order represents combining job # 45300 (pre-construction) with job # 47300 (construction period).

ATTACHMENT #2

The St Paul-CCI Construction Co., Inc.
Statement of Anticipated Expenditures as of September 30, 1999
c:\cci\expend

Job #	Project	Sub-Contractor Payables	Material/ Supplier Payables	Sub-Total	Add: 10% Contingency	Total	Estimated Costs to Complete	Grand Total	Estimated Completion Date	% complete *
	Bonded Jobs									
45400	Albemare Prison	322,981	60,833	383,814	38,381	422,195	4,151,006	4,573,201	30-Apr-00	62%
.	Bedford County	0	0	0	0	0	440,000	440,000	31-Dec-00	0
47500	SR 22 Cambria Cnty	0	143,971	143,971	14,397	158,368	311,261	469,629	30-Nov-99	23
47600	Summerdale	0	139,790	139,790	13,979	153,769	967,665	1,121,434	31-Dec-99	10
.	Cool & Cold Aqua	0	0	0	0	0	166,000	166,000	31-Aug-00	0
47700	Cool & Cold Aqua	0	2,785	2,785	279	3,064	11,375,128	11,378,192	31-Aug-00	0
46000	Germplasm Ctr	187,949	49,743	237,692	23,769	261,481	8,607,198	8,868,659	30-Apr-00	37
46500	James River	220,566	112,921	333,487	33,349	366,836	5,188,849	5,555,685	31-Aug-00	28
45000	Johnstown	353,393	16,686	370,079	37,008	407,087	158,681	565,768	31-Oct-99	91
45100	Lord Fairfax	69,249	10,075	79,324	7,932	87,256	158,025	245,281	31-Oct-99	93
46100	Outlook-Chesterfield	260369	11,952	272,321	27,232	299,553	329,429	628,982	30-Nov-99	67
45600	Outlook-Hilliard	167,580	10,411	177,991	17,799	195,790	93,571	289,361	31-Oct-99	91
46200	Outlook-Westerville	143,620	39,878	183,498	18,350	201,848	2,861,120	3,062,968	28-Feb-00	37
45800	Pa Turnpike	35,892	736	36,628	3,663	40,291	20,878,146	20,918,437	31-Mar-01	0
47300	Pa Turnpike-Kost Rd	95,459	28,416	123,875	12,388	136,263	1,059,139	1,195,402	30-Nov-99	42
47000	SR II, Perry County	154,793	179,786	334,579	33,458	368,037	1,085,220	1,453,257	31-Aug-00	39
45500	Perry Point	603,043	113,061	716,104	71,610	787,714	1,847,776	2,635,490	31-Dec-99	73
45900	Scott AF Base	266,518	214,137	480,655	48,066	528,721	1,225,509	1,754,230	31-Jul-00	94
46600	VCU Life Science	1,155,380	18,279	1,173,659	117,366	1,291,025	17,805,421	19,096,446	28-Feb-01	13
	Sub-Total	4,036,792	1,153,460	5,190,252	519,025	5,709,277	78,709,144	84,418,421		
	Unbonded Jobs									
45700	CCI-Camp Hill	4,517	0	4,517	452	4,969	5,258	10,227	31-Oct-99	
47800	EPW I	69,304	19,838	89,142	8,914	98,056	85,648	183,704	31-Oct-99	
46700	EPW III	279,061	58,114	337,175	33,718	370,893	2,007,409	2,378,302	31-Jan-00	
43900	Mahony	0	0	0	0	0	43,043	43,043	31-Oct-99	
42600	U.E.P.H	23,180	0	23,180	2,318	25,498	0	25,498	Complete	
		376,062	77,952	454,014	45,401	499,415	2,141,358	2,640,773		
	GRAND TOTALS	4,412,854	1,231,412	5,644,266	564,427	6,208,693	80,850,502	87,059,195		

* based upon payments received.

Notes:
(1) Total material payables was $1,575,869. The difference between the $1,231,412 and the total ($344,457) represents overhead payables and amounts not able to be charged directly to a job.
(2) Costs to complete are entirely Management's represenation (no contingency was added to these amounts). They include direct costs only (Labor (and related expenses), materials, subcontractors, equipment, etc.). Indirect costs are included in the projected overhead calculation.
(3) A 10% contingency was added to Management's represenation to account for unrecorded liabilities.
(4) Retention on amounts due to subcontractors was included in Management's represented costs to complete and therefore, not included as part of the accounts payable.

ATTACHMENT #3

The St Paul-CCI Construction Co., Inc.
Statement of Projected surplus (deficit) as of September 30, 1999
c:\cci\surplus

			ANTICIPATED REVENUES				PROSPECTIVE EXPENDITURES			
			Components of Remaining Contract Balance							
Job #	Project	Remaining Contract Balances	Billed & Unpaid	Retainage	Unearned Balance	Total	Outstanding Payables	Costs to Complete	Total	Surplus (Deficit)
	Bonded Jobs									
45400	Albemarle Pris	5,511,831	812,446	517,985	4,181,400	5,511,831	422,195	4,151,006	4,573,201	938,630
-	Bedford County	514,976	0	0	514,976	514,976	0	440,000	440,000	74,976
47500	SR 22 Cambria Cnty	642,225	210,062	0	432,163	642,225	158,368	311,261	469,629	172,596
47600	Summerdale	1,518,772	155,819	20,748	1,342,205	1,518,772	153,769	967,665	1,121,434	397,338
-	Cool & Cold Aqua	191,083	0	0	191,083	191,083	0	166,000	166,000	25,083
47700	Cool & Cold Aqua	12,119,607	70,365	7,057	12,042,185	12,119,607	3,064	11,375,128	11,378,192	741,415
46000	Germplasm Ctr	9,904,639	647,342	697,457	8,559,840	9,904,639	261,461	8,607,198	8,868,659	1,035,980
46500	James River	5,188,143	534,575	136,238	4,517,330	5,188,143	366,836	5,188,849	5,555,685	(367,542)
45000	Johnstown	348,087	197,447	116,713	33,927	348,087	407,087	158,681	565,768	(217,681)
45100	Lord Fairfax	512,996	142,419	357,749	12,828	512,996	87,256	158,025	245,281	267,715
46100	Outlook-Chesterfield	1,309,063	429,304	337,711	542,048	1,309,063	299,553	329,429	628,982	680,081
45600	Outlook-Hilliard	481,461	197,316	279,716	4,429	481,461	195,790	93,571	289,361	192,100
46200	Outlook-Westerville	3,535,374	361,042	268,500	2,905,832	3,535,374	201,848	2,861,120	3,062,968	472,406
45800	Pa Turnpike	22,397,615	222,989	24,777	22,149,849	22,397,615	40,291	20,878,146	20,918,437	1,479,178
47300	Pa Turnpike-Kost Rd	1,163,500	536,585	0	626,915	1,163,500	136,263	1,059,139	1,195,402	(31,902)
47000	SR II, Perry County	2,532,701	623,474	0	1,909,227	2,532,701	368,037	1,085,220	1,453,257	1,079,444
45500	Perry Point	3,422,663	643,632	636,960	2,142,071	3,422,663	787,714	1,847,776	2,635,490	787,173
45900	Scott AF Base	894,126	578,097	0	316,029	894,126	528,721	1,225,509	1,754,230	(860,104)
46600	VCU Life Science	19,159,775	967,820	196,014	17,995,941	19,159,775	1,291,025	17,805,421	19,096,446	63,329
	Sub-Total	91,348,637	7,330,734	3,597,625	80,420,278	91,348,637	5,709,278	78,709,144	84,418,422	6,930,215
	Unbonded jobs									
45700	CCI-Camp Hill	0	0	0	0	0	4,969	5,258	10,227	(10,227)
47800	EPW I	211,771	169,445	8,918	33,408	211,771	98,056	85,648	183,704	28,067
46700	EPW III	2,638,033	252,808	98,012	2,287,213	2,638,033	370,893	2,007,409	2,378,302	259,731
43900	Mahonoy	43,793	43,043	750	0	43,793	0	43,043	43,043	750
42600	U.E.P.H.	0	0	0	0	0	25,498	0	25,498	(25,498)
	Sub-Total	2,893,597	465,296	107,680	2,320,621	2,893,597	499,416	2,141,358	2,640,774	252,823
	GRAND TOTALS	94,242,234	7,796,030	3,705,305	82,740,899	94,242,234	6,208,694	80,850,502	87,059,196	7,183,038

Cash balances as of 10/1/99	(434,450)
Accounts payable-materials/suppliers not included on "expend" spreadsheet"	(344,457)
Accounts payable-subcontractors not included on "expend" spreadsheet	(3,250)
Workers compensation due as of 9/30/99	(241,591)
Allowance for doubtful accounts	0
Proceeds of bank loan (recently approved second line of credit)	1,200,000
Overhead for the period 10/1/99-3/31/2001	(11,894,000)
Projected cash balance as of 3/31/2001	(4,534,710)

Key Notes and Assumptions

(1) The Company will realize -0- cash flow from any new work procured during this projection period
(2) There will be no significant variations between represented costs to complete and actual results.
(3) There will be no significant variations between projected overhead and actual results.
(4) The Company will collect 100% of its remaining contract balances.
(5) There are no significant accounts payable (including contingencies) which have not been disclosed to The St. Paul.
(6) The Company will be able to fully draw down on the recently approved bank line of credit ($1,200,000) and will not need to make principal payments on either loan (total of $5,200,000).
(7) There will be no change in the bank's prime rate during this projection period.

ATTACHMENT #4

The St. Paul-CCI Construction Co., Inc.
Schedule of projected overhead
For the period from 10/1/99-3/31/2001 (projected completion date of current backlog)

	10/1/1999 12/31/99	1/1/00 12/31/00	1/1/01 3/31/01	TOTAL
Construction/CM Department	54,000	404,000	59,000	517,000
Mechanical Department	140,000	588,000	154,000	882,000
Civil Department	110,000	415,000	121,000	646,000
Equipment Department	540,000	1,880,000	594,000	3,014,000
Sheet Metal Shop Overhead	57,000	327,000	63,000	447,000
California Department	18,000	60,000	20,000	98,000
Estimating Department	112,000	335,000	123,000	570,000
Accounting Department	157,000	575,000	173,000	905,000
Admin/Marketing Department	221,000	999,000	243,000	1,463,000
Interest payment on lines of credit	96,000	416,000	104,000	616,000
Principal/Interest on equipment debt	465,000	1,816,000	455,000	2,736,000
	1,970,000	7,815,000	2,109,000	11,894,000

Notes and important assumptions:

(1) Interest on line of credit calculated as follows: all interest assumed at 8.00% (1/2% under the prime rate), for the month of October 1999, total loan balance = $4,000,000; for the months of November 1999-March 2001, total loan balance = $5,200,000.

(2) The year 2000 projected overhead was calculated as follows with the exception of debt service)
1999 actual through 9/30/99
+ projected overhead 10/1-12/31/99
= a sub-total
+ a 5% addition for contingency and inflation
= 2000 projected overhead

(3) The projected overhead for the period 1/1/2001-3/31/2001 was calculated as follows:
The projected overhead for the period 10/1/99-12/31/99 was increased by 10% for inflation and contingency.

(4) There will be no shareholder distributions.

(5) There will be no significant asset purchases (which would not be financed).

(6) The Company will not realize significant proceeds from the sale of currently owned property and equipment (all proceeds would reduce bank debt).

ATTACHMENT #5